

TRANSMITTED ELECTRONICALLY

September 27, 2016

Mary Nichols, Chair  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

Re: Comments on the *Vibrant Communities and Landscapes* and *Potential State-Level Strategies to Advance Sustainable, Equitable, Communities and Reduce VMT*

Dear Chair Nichols:

Thank you for the opportunity to comment on the documents that lay out some of the vision that the state may use in terms of connecting land use and transportation in the Scoping Plan.

We welcome a continued partnership between state, regional, and local governments that is consistent with the governance framework in SB 375. We share many of the same objectives laid out in these documents, such as affordable housing, economic opportunity, improved infrastructure in urbanized areas, protection of significant natural and working lands, opportunity and services in all communities, transportation choice, vibrant healthy communities, and adequate education and services for all.

We are pleased to note that regions and their local government members have been at the forefront of developing policy in these areas. The result has been a series of Regional Transportation Plan/Sustainable Communities Strategies (hereinafter "RTPs") in which the state can be proud. The RTPs have helped lead the way in identifying areas for location-efficient investments that reduce Greenhouse Gas (GHG) emissions. In the process, regional transportation planning agencies have voluntarily worked together to improve and coordinate our policies to provide greater comparability across the state.

We are therefore pleased to offer the following comments. They are intended to embrace and improve the current inter-governmental relationship between the state, cities and counties, and regions in developing and implementing state climate policy. Fortunately, we have a good foundation upon which we can build, but the documents *Vibrant Communities and Landscapes* ("*Vibrant Communities*") and *Potential State-Level Strategies*

to Advance Sustainable, Equitable Communities and Reduce Vehicle Miles Traveled (“Potential Strategies”) can be improved to take better advantage of this partnership.

- **Local and Regional Governments are “Essential Partners.”** *Vibrant Communities* should build on the term used in the original Scoping Plan: that local and regional governments are “essential partners” in the achievement of state climate policy. Although *Vibrant Communities* makes appropriate references to cooperating with regional and local governments in the “Action” element, it omits any mention in the “Vision” element (stating only that the state “*plays a meaningful and impactful role in shaping the future communities and landscapes of California.*”) That seems an odd (and perhaps inadvertent) omission for a discussion of land use, which is generally acknowledged to be the purview of local government. The Vision element should add that local and regional governments are “essential partners.”
- **SB 375 Governance Structure is the Appropriate Framework for Transportation Issues.** We appreciate that once the document does mention local and regional governments that the state would commit to build on the framework and governance structure established by SB 375. This consensus framework focuses on performance measurement based on broad public input, and leaves decisions on how to achieve those specific objectives to the discretion of each agency. This process recognizes that one-size fits all pathways are not the correct approach for a process that applies to areas (among others) that are as diverse as Shasta County, Fresno County, and the six county region of the Southern California Association of Governments.
- **“Stronger” Target Setting Under SB 375.** MPOs have worked well with ARB in the first two rounds of SB 375 under a “bottoms-up” target setting process that balanced “ambitious” with “achievable.” The result was each region was to get a target that required them to “break a sweat” to achieve. We understand ARB’s legislative mandate for 2030 and the executive order for 2050 are significant milestones. But the fiscally constrained nature of RTPs have not changed. With very limited changes to funding, and in some cases declining revenue, there is only so much a region can do. If a region was “breaking a sweat” to meet a target in 2018, the amount of effort is not likely to change substantially just because SB 32 became law. This is problematic because the RTPs must also be linked to a conformity analysis under the Clean Air Act—meaning that they must be reasonable or realistic in terms of being implemented. Thus, setting higher targets not grounded in fiscal constraint and achievability will not automatically yield greater performance. It may even increase the use of the APS tool under SB 375.

Complicating matters further, the new targets must also account for progress that the state is making in other climate programs, such as zero emission vehicle market penetration and increases in overall fleet efficiency. These programs are having a perverse effect for GHG reductions under SB 375 because they are making driving less expensive. Thus, our traffic models predict that consumers will actually drive more. As a result, we need to continue to work together to develop targets that are ambitious and achievable. Higher targets are okay within that framework. But setting stringently ambitious targets to get Scoping Plan reductions total to hypothetically

pencil out will not result in real reductions. We recommend retaining the current practice for developing realistic, ambitious, and achievable regional targets.

- ***Relationship Between Transportation and Natural Lands Policies.*** The language in the *Vibrant Communities* uses distinct bullets related to objectives for compact development and land protection. That separation should remain distinct. RTPs deal more directly with GHG reductions related to improving the proximity of places people will travel to and from. This is not to say there is not a relationship—protected natural and working land areas, such as those contained in Habitat Conservation Plans, inform the forecasted land use assumptions that form a significant input for Regional Transportation Plans. But natural land protection strategies are not likely to the responsibility of a Metropolitan Planning Organization.<sup>1</sup>

Retaining this distinction is also important to accurately account for GHG reductions. The modeling work of many MPOs show that compact development, on its own, will only have a small change in per capita GHG reductions from cars and light trucks (the effect of pricing policies for example, is much more significant). Thus, creating a clearer delineation between carbon reductions from natural and working land set asides (e.g. carbon sinks) and compact development should make state policies and the framework for the Scoping Plan more effective and precise.

- ***More Clarification Is Needed on the Term “Ecosystem Services.”*** *Vibrant Communities* provides that “ecosystem services conferred by natural systems are accounted for and included in State, local, and regional planning and investment decisions.” But the term “ecosystem services” is not defined. The Wikipedia entry defines ecosystem services to mean benefits that people obtain from an ecosystem, including “provisioning services” such as food and water; “regulating services” such as flood and disease control; “cultural services” such as spiritual, recreational, and cultural benefits; and “supporting services” such as nutrient cycling that maintain the conditions for life on Earth. That represents a large departure from current processes—particularly if all investments had to account for the more subjective elements like “spiritual” benefits. At a minimum, if the term is included in the Scoping Plan, it should include a definition of how the state intends to use the term and what type of benefits would be accountable. (We are not taking a position yet on the inclusion of the term; we need time to evaluate whether such values should be accounted for and to what extent CEQA already accounts for these issues).
- ***Commit to New Formula-Based Funding Subject to Performance Standards.*** Perhaps the biggest fault of *Vibrant Communities* is that it charts a dramatic new course for growth in California without a true commitment to developing the corresponding resources needed to make it happen. A commitment to “explore” financing mechanisms is not bold enough. “Find, “adopt,” or “implement” “new funding sources” is what is needed. We also recommend making funding more predictably distributed to communities across the state (subject to appropriate

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<sup>1</sup> We recognize that some MPOs, like the Butte County Association of Governments, are Joint Powers Authorities that have developed natural lands mitigation programs. But such programs are not generally a part of the RTP, even though they inform the forecasted land use assumptions that go into the plan.

criteria). The current cap and trade “lottery” style windfall is just not substantial or certain enough to change the “per forma as usual.” across the state.

The state must commit to developing a new source (or sources) of predictable funding that only be used on projects that are consistent with a pre-defined set of objectives. We are not stating that the source needs to be defined in the Scoping Plan. But an actual commitment to a develop a new source (or sources) that would change infrastructure, housing, social and economic opportunity, transportation, and open space protection would demonstrate that the state is serious on the change needed to achieve its objectives. We stand ready to fully engage in that discussion.

- **Exception: Road Pricing in Discussion Document.** Although it was not included in *Vibrant Communities*, the *Potential Strategies* document does discuss road pricing. We understand the political, economic, and equitable challenges associated with that approach. But we appreciate that this is a method that the state can develop that would integrate with current RTPs and potentially create new funds to strategically invest in critical infrastructure. Indeed, some regional governments have implemented pricing policies like HOT lanes, commissioned parking fee studies, and considered other pricing alternatives in their regional transportation plans. While reserving judgement on the value of these approaches in terms of a statewide policy, we appreciate the willingness of the state to raise this issue.
- **Performance Measures.** In exploring “additional performance measures and targets to inform selection of transportation capital projects,” the state needs to be strategic about what performance metrics it selects. It also needs to assure that the selection process does not interfere with conformity determinations. In 2012, the Strategic Growth Council commissioned a study undertaken by SANDAG to identify a core set of performance metrics that could be used to monitor transportation and its effects on system efficiency, economic benefit, public health, and the environment. These measures were incorporated into the STIP Guidelines. The lesson is that performance measures need to be based on data quality, data availability, timeliness, and objective criteria. Cost considerations should also be considered.

Thank you for the opportunity to comment on these documents. Please contact me if you have any questions.

Best Regards,



Bill Higgins  
Executive Director